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Message Text

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20
ORIGIN OPIC-06

INFO OCT-01 ARA-10 ISO-00 EB-07 AID-05 TRSE-00 XMB-04

OMB-01 CIEP-02 CIAE-00 INR-07 NSAE-00 L-02 /045 R

DRAFTED BY OPIC/ID/LA:JCDILL:PLD
APPROVED BY EB/IFD/OIA:RJSMITH
OPIC/ID/LA:BTMANSBACH
EB/IFD/OIA:DHSTEBBING
ARA/BR:JSLATTERY
---------- 120410
R 221507Z APR 75
FM SECSTATE WASHDC
TO AMEMBASSY BRASILIA

UNCLAS STATE 091817

E.O. 11652: N/A

TAGS: EINV

SUBJECT:OPIC INSURANCE TINTAS YPIRANGA NO. 8618

REFERENCE: BRASILIA 2794

1. COPY OF OPIC/EINIK LETTER OF MARCH 14 AIRPOUCHED IN RESPONSE TO REFTEL.

2. OPIC DOES NOT RPT NOT INTEND TO INSURE SCM EQUITY INVESTMENT IN TINTAS. SCM CURRENTLY ATTEMPTING TO OBTAIN CHANGE IN FGA RECOGNIZING OPIC DESIRE TO INSURE DEBT BUT NOT EQUITY. OPIC APPRECIATES EMBASSY OFFER OF ASSISTANCE IN THIS MATTER.

3. OPIC POLICY IS TO OFFER INSURANCE PROTECTION ONLY RPT ONLY AFTER RECEIPT OF SPECIFIC AND SATISFACTORY FGA. OPIC POLICY HAS NOT RPT NOT BEEN ALTERED AS SUGGESTED REFTEL. DUE TO INSURANCE CONCENTRATION PROBLEMS IN BRAZIL, SINCE SUMMER 1974 OPIC HAS RESTRICTED ISSUANCE OF NEW INSURANCE
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IN RIO AND SAO PAULO REGIONS IN ACCORDANCE WITH POLICY OF

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WHICH EMBASSY AND GOB AWARE. MANY APPLICANTS FOR INSURANCE IN THIS REGION WERE CONCERNED THEY WOULD NOT BE ABLE TO OBTAIN FGA AND THEREFORE INSURANCE BEFORE OPIC DEADLINE. THEREFORE OPIC, ON SOME OCCASIONS, ISSUED A CONTRACT IN WHICH ALL COVERAGE WAS ON STANDBY BUT PROVIDING THAT

COVERAGE BE SWITCHED FROM STANDBY TO CURRENT FOLLOWING OPIC'S RECEIPT OF SATISFACTORY FGA. THUS INVESTOR HAS NO RPT NO EFFECTIVE INSURANCE COVERAGE AND OPIC HAS NO RPT NO LIABILITY WHATSOEVER UNTIL FGA RECEIVED. IF FGA NOT RECEIVED WITHIN THREE YEARS OF ISSUANCE OF CONTRACT THEN CONTRACT LAPSES AUTOMATICALLY. WHILE SUCH AN OPIC COMMITMENT CONTRACT IS ONLY CONTINGENT OFFER OF FUTURE INSURANCE PROTECTION, INVESTORS WERE WILLING TO PAY STANDBY FEES FOR THIS COMMITMENT TO BE SURE THEY COULD GET FUTURE INSURANCE IN RESTRICTED AREAS IF AND WHEN FGA RECEIVED. TO RECAP, OPIC HAS NEVER RPT NEVER PROTECTED ANY INVESTMENT PRIOR TO RECEIPT OF FGA. OPIC INTENDS NO RPT NO ALTERATIONS IN ITS REQUIREMENT FOR FGA FOR EACH SPECIFIC INVESTMENT PRIOR TO INSURANCE. KISSINGER

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Message Attributes

Automatic Decaptioning: X
Capture Date: 01 JAN 1994
Channel Indicators: n/a
Current Classification: UNCLASSIFIED
Concepts: INSURANCE, INVESTMENT GUARANTEES
Control Number: n/a
Copy: SINGLE
Draft Date: 22 APR 1975
Decaption Date: 01 JAN 1960
Decaption Note:
Disposition Action: n/a
Disposition Approved on Date:
Disposition Authority: n/a
Disposition Case Number: n/a
Disposition Comment:
Disposition Date: 01 JAN 1960
Disposition Event:
Disposition History: n/a
Disposition Reason:
Disposition Remarks:
Document Number: 1975STATE091817
Document Source: CORE
Document Unique ID: 00
Drafter: JCDILL:PLD
Enclosure: n/a
Executive Order: N/A
Errors: N/A
Film Number: D750141-0853
From: STATE
Handling Restrictions: n/a
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ISecure: 1
Legacy Key: link1975/newtext/t19750428/aaaaazxf.tel
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TAGS: EINV, BR, OPIC, TINTAS YPIRANGA
To: BRASILIA
Type: TE
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